CERTIFIED FOR PUBLICATION

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION THREE

CHATEAU CHAMBERAY HOMEOWNERS ASSOCIATION,
 	
    Plaintiff and Appellant,
 	
    v.
 	
ASSOCIATED INTERNATIONAL INSURANCE COMPANY,
 	
    Defendant and Respondent.
	B137320
	
	  (Super. Ct. No. SC043443)
	
	ORDER MODIFYING OPINION AND DENYING THE PETITION FOR REHEARING
	[No Change In The Judgment]

THE COURT:

It is ordered that the opinion filed herein on June 29, 2001, be modified in the following particulars:

1. Page 16, line 12, after the word "insurer" insert ", for example," and on line 13, italicize the word "may" so that lines 12 and 13 read as follows:

> As the *Fraley* court emphasized, where an insurer, for example, is relying on the advice and opinions of independent experts, then a basis *may* exist for invoking the doctrine and

2. Page 17, line 4, italicize the word "automatically" so that line 4 reads as follows:

cautioned that an expert's testimony will not

automatically insulate an insurer from a bad

Also on page 17, line 14, at the end of the parenthetical phrase "(*Guebara v. Allstate Ins.*

Co., supra, 237 F.3d at p. 996.)" add a new footnote designator and renumber subsequent

footnotes accordingly. Line 14 and the new footnote text will read as follows:

investigation. (*Guebara* v. *Allstate Ins. Co., supra,*

237 F.3d at p. 996)[*] As we now

_____

[*] This list is certainly not intended to be exhaustive of the

circumstances that may justify submission to a jury of an

insurer's "genuine dispute" defense to a claim of bad

faith. Nor, we must also add, may an insurer insulate

itself from liability for bad faith conduct by the simple

expedient of hiring an expert for the purpose of

manufacturing a "genuine dispute."

3. Page 19, line 17, italicize the words "*in light of the record as a whole,*" so that

line 17 reads as follows:

correct. It is only necessary for us to determine that,

in light of the record as a whole, its

Appellant's petition for rehearing is denied.

There is no change in the judgment.